



FINANCING ELIGIBILITY STATEMENT - "ECONOMIC DISADVANTAGE"

Individual's Name _____

Applicant Business Name _____

INSTRUCTIONS:

Answers to the following questions will be used to determine your personal eligibility for your business to receive financing under Section 301(d) of the Small Business Investment Act. Under this provision, to be eligible to receive financing, you must meet the criteria stipulated in Appendix 1 of this form. Please provide complete responses to each question. When your answers require additional space, use plain white paper properly identifying the item number to which you are responding. **Omission of any information requested will result in a delay in the review and consideration of your application.**

I. ECONOMIC DISADVANTAGE

Because of low income, minimal personal net worth, and total personal assets of minimal value, I am, and have been, hampered in my ability to access capital and credit markets. Consequently, my ability to compete in the free enterprise system has been impaired due to diminished capital and credit opportunities as compared with others in the same business area who are not economically disadvantaged.

_____ **YES** _____ **NO**

If your answer to the above question is yes, document below how your ability to compete in the marketplace has been impaired by such things as inability to obtain bonding, credit or financing or other factors that have restricted your access to markets.

A. Please provide your Adjusted Gross Income, as reported on your personal federal income tax form, for the two most recent years (attach supporting documentation):

\$ _____ 20__ \$ _____ 20__

B. Please complete and attach SBA Form 413, "Personal Financial Statement" (available at <http://www.sba.gov/sbaforms/sba413.pdf>), or comparable financial statement provided by your SSBIC lender.

II. **Ownership and Control**

- A. Describe how socially or economically disadvantaged persons have a majority voting interest on the board of directors or any other governing body of the concern being financed (provide supporting documentation).
- B. If your business is a corporation or a general partnership, explain how the eligible disadvantaged person(s) will own more than 50% of the voting interest of the business after receiving financing from the Small Business Investment Company (provide supporting documentation).
- C. Is the business concern a limited partnership? ____ Yes ____ No
If Yes, explain (and provide documentation) to show whether the eligible disadvantaged person(s) are either the general partners, or that they control any corporate general partners.
- D. Indicate the percentage of the *economic interest* that eligible disadvantaged person(s) hold in the business (provide supporting documentation). (*Economic interest* is the right to proportionate distributions after all secured and unsecured debts have been satisfied.)
- E. Do the eligible disadvantaged person(s) hold less than 50% of *the economic interest* in the company? If so, fully describe all other investors holding an *economic interest* in the company.

III. CERTIFICATION OF ELIGIBILITY

I hereby certify that all information in this Statement, including exhibits and supporting documentation, is true and complete to the best of my knowledge and is submitted for consideration of financing from an entity licensed by the U.S. Small Business Administration.

I acknowledge that any statement made in this Financing Eligibility Statement, including exhibits and supporting documentation, which I know to be false, may, under provisions of the Small Business Act and/or the Small Business Investment Act, and 18 U.S.C. 1001, subject me to a fine, imprisonment, or both.

Name of Business

Typed Name and Title of Qualifying Person

Signature of Qualifying Person

IV. LICENSEE CERTIFICATION

I hereby certify that the licensee has reviewed all information provided by the small business concern in support of its application for financing, and determined that all documentation and other information supports the eligibility of the applicant and establishes that the concern is owned and managed by an eligible socially or economically disadvantaged person(s), as defined in the Small Business Investment Act and SBA Policy and Procedural Release # 2017, dated June 22, 1994.

I acknowledge that any statement made in this Financing Eligibility Statement, including exhibits and supporting documentation, which I know to be false, may, under provisions of the Small Business Act and/or the Small Business Investment Act, and 18 U.S.C. 1001, subject me to a fine, imprisonment, or both.

Name of SBIC/SSBIC

Typed Name of President or General Partner

Signature of President or General Partner

Please Note: The estimated burden for completing this form is 2 hours per response. You will not be required to respond to this information collection if a valid OMB approval number is not displayed. If you have questions or comments concerning this estimate or other aspects of this information collection, please contact the U.S. Small Business Administration, Chief, Administrative Information Branch, Washington, DC 20416, and/or Office of Management and Budget, Clearance Officer, Paperwork Reduction Project (3245-0301), Washington, DC 20503. PLEASE DO NOT SEND FORMS TO OMB.